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**USWEST**

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**AUG - 6 1993**

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Janis A. Stahlhut  
Director-  
Federal Relations

EX PARTE

August 6, 1993

Mr. William F. Caton, Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Stop Code 1170  
Washington, D.C. 20554

Re: CC Docket No. 93-129

Dear Mr. Caton:

On July 29, 1993, I participated in a meeting with other industry participants and representatives of the General Counsel's office and the Common Carrier Bureau's Tariff Division (see ex parte submission of Mr. James Britt, CC Docket No. 93-129, August 3, 1993). During that meeting, U S WEST provided the attached Affidavit. Please include this material on the record in the above-mentioned proceeding.

Acknowledgement and date of receipt of this submission are requested. A duplicate letter is attached for this purpose. Please direct all further correspondence and questions on this submission to me.

Sincerely,



Attachment

cc: Mr. Greg Vogt, FCC  
Mr. Tom David, FCC  
Ms. Jane Mago, FCC  
Mr. James Britt, Bellcore  
Mr. Alfred W. Whittaker, Kirkland & Ellis  
Mr. Stuart Drake, Kirkland & Ellis  
Mr. Bill Blase, Southwestern Bell Telephone

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AUG - 6 1993

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	DA 93-90
800 Data Base Access Tariffs	)	
and the 800 Service Management	)	CC Docket No. 93-129
System Tariff	)	

AFFIDAVIT OF BARBARA H. STOCK

STATE OF COLORADO     )  
                              )  
County of Denver        )

Barbara H. Stock, being first duly sworn, deposes and says:

I.

She is Manager - Switching Cost Modeling of U S WEST Communications, Inc. ("USWC"), and has personal knowledge of the facts in her affidavit.

II.

The Switching Cost Model SS7 (SCM SS7) is a computer model that is used by USWC to estimate recurring switching costs of services provided by USWC - specifically the 800 data base and other Signalling System 7 based services.

### III.

SCM SS7 employs proprietary and original programming that is not known by persons outside the telecommunications business. Also, inputs to the model include data on switching equipment that USWC is contractually obligated to keep secret by reason of agreements with its vendors of such equipment: AT&T Technologies, Northern Telecom, Inc., Ericsson Network Systems and Digital Equipment Corporation. Some of the proprietary and original programming would, if disclosed, allow one or more of the switch vendors to learn information about their competitors' products that would not otherwise be available. Some of the outputs of the model, if disclosed, would give one or more of the switch vendors otherwise unavailable information on their competitor's pricing strategies. The supporting documentation and inputs would allow construction of a model that duplicates the functions of SCM SS7. SCM SS7 is another module to the SCM program which was the subject of investigation concerning USWC's pricing of Open Network Architecture Services.

### IV.

SCM SS7's proprietary and original programming, supporting documentation and inputs are known, within USWC, only to a select group that is responsible for the design and maintenance of that system.

V.

SCM SS7 is the model for apportioning the recurring costs of the SS7 signalling network. The basic SCM accomplishes the same task for the voice and data network. Release of the programming, supporting documentation, and inputs of the SCM SS7 would compromise the integrity of the entire SCM model, not just the module dedicated to SS7. Such release would also permit calculation of the confidential vendor switch information to the same degree as would release of the basic SCM model.

VI.

USWC diligently protects the secrecy of SCM, including SCM SS7, its inputs and documentation. Numbered copies are provided to authorized users who sign agreements restricting their use of this information. The number of authorized users is strictly controlled, and none of such users has access to the source or compiled code. All persons who have access to any information about SCM, including the system administrator and authorized programmer, are required to sign annually, as a condition of continued employment, an agreement binding them to maintain the secrecy of company information, including the information about SCM. The personal computers on which SCM operates, and the physical diskettes containing the software and

the written source code, are kept in secure, access-controlled buildings. The source code is kept in a locked cabinet.

#### VII.

SCM, including SCM SS7, is quite valuable to USWC, and would be valuable to USWC's competitors if they obtained access to it. SCM is a valuable tool in USWC's pricing process. SCM allows USWC to calculate the recurring switching cost components of USWC's products and services. These cost components are used to determine the price floors in determining USWC's service prices. SCM, without the secret inputs consisting of pricing data from USWC's vendors, would also be a valuable property for sale to other firms that require accurate costing of switching services.

SCM, if provided to USWC's competitors, would also be valuable to such competitors. SCM would allow the competitors to predict, with far greater accuracy than they could without the model, USWC's price floors on any given competitive service that involves switching. SCM's documentation, manuals and inputs would, if disclosed to USWC's competitors, allow them to duplicate the results of the SCM model's calculation.

#### VIII.

It would be quite difficult for others properly to acquire this same information. Information of USWC's network requirements, initial cost of investment, investment plans, and

allocations of cost among services are not known elsewhere. The programming that integrates some widely accepted and applied principles of costing with these elements is itself not capable of being replicated without knowledge of the secret USWC information listed above.

#### IX.

Disclosure of SCM, its documentation, manuals and inputs would work a clearly defined and serious injury on USWC. The model is capable, after modification to substitute another user's inputs for the secret USWC input information, of providing cost calculations for others. USWC may also market this asset, minus the secret USWC inputs, to other firms in the future. Disclosure of the model would destroy the market value of this asset. Disclosure with the secret USWC inputs would also allow USWC's competitors in the telecommunications business to predict more accurately USWC's prices on any competitive services which involve switching. Disclosure of the documentation, manuals and inputs would allow USWC's competitors to duplicate the function of the model, thereby also destroying its market value and also effectively disclosing USWC's costs to USWC's competitors.

#### X.

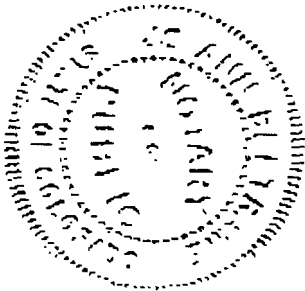
I have read footnote 24 of the FCC's July 19, 1993 Order Designating Issues for Investigation, in which it is stated that


LECs can calculate 800 data base costs without use of the switching model. It is my opinion that calculation of most 800 data base costs by USNC without use of the SCM SS7 model would be extremely difficult and expensive. Calculation of vertical feature costs without use of the model would, in my opinion, be impossible. In either case, even if a method of calculating 800 data base costs without use of the SCM SS7 would be devised, disclosure of this data would still entail the risk of compromising the proprietary switch information currently used in the input to the model.



Barbara H. Stock

BEFORE ME came this 29th day of July, 1993, Barbara H. Stock, who being first duly sworn, stated that the facts in the foregoing Affidavit were true.



  
NOTARY PUBLIC in and for the  
State of Colorado, residing at  
1801 California Street, #4700,  
Denver, CO 80202.

My commission expires 12/18/93